

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

MELISSA FLOWER AND HAROLD
FLOWER

vs.

ALLSTATE PROPERTY AND
CASUALTY INSURANCE COMPANY

Civil Action No.
Jury Trial Demanded

**NOTICE FOR REMOVAL OF CIVIL ACTION
FROM STATE COURT**

Defendant Allstate Property and Casualty Insurance Company (“Defendant Allstate”), respectfully petitions for removal to this Court of a state civil action pending in the Court of Common Pleas of Wyoming County, Pennsylvania, and in support avers as follows:

1. A Complaint was filed on or about June 4, 2018 by Plaintiffs Melissa Flower and Harold Flower (“Plaintiffs”) against Defendant Allstate Property and Casualty Insurance Company in the Court of Common Pleas of Wyoming County docket no. 2018-Civil-275. A true and correct copy of Plaintiffs’ Complaint is attached as Exhibit “A” and incorporated by reference.

2. Plaintiffs’ Complaint seeks breach of contract damages (Plaintiffs averred damages in the amount of \$150,000.00 and bad faith (including punitive damages and attorney fees) against Defendant Allstate. See Exhibit “A”.

3. The state court where this current action is pending is located in Wyoming County, Pennsylvania; however, the place of accident, incident or transaction is 225 Kehrli Road, Factoryville, PA 18419, which is embraced within this judicial district.

4. At the time of the filing of this action, Plaintiffs aver they are residents of Factoryville, Pennsylvania and citizens of Pennsylvania and, upon information and belief, are therefore domiciled in Pennsylvania as well. See Exhibit "A", paragraph 1.

5. Defendant Allstate is an Illinois corporation with its principal place of business in Northbrook, Illinois. Therefore, Allstate is a citizen of a state other than Pennsylvania.

6. The amount in controversy in this matter is, upon information and belief, in excess of the sum of \$75,000.00 total, exclusive of interest and costs, such that the amount in controversy and the diversity requirements for federal diversity jurisdiction are satisfied and this court now has jurisdiction over this subject matter under and pursuant to 28 U.S.C. § 1332.

7. Good faith efforts were made to file this Notice within thirty (30) days of Defendant Allstate's first indication that the damages could exceed \$75,000.00.

WHEREFORE, Defendant Allstate Property and Casualty Insurance Company respectfully requests that the statutory requirements, having been met, that the pending state action be moved to this Court.

Respectfully submitted,

By: 

Michael K. Lorenz, Esquire

Attorney ID 93611

Curtin & Heefner LLP

1040 Stony Hill Road

Suite 150

Yardley, PA 19067

215-736-2521

Date: June 29, 2018

AFFIDAVIT

I, Michael K. Lorenz, Esquire, being duly sworn according to law, do hereby depose and state that I am the attorney for Defendant, Allstate Property and Casualty Insurance Company, the Petitioner in the foregoing Notice for Removal; that I have been duly authorized by the Petitioner to execute this Affidavit; that I am familiar with the facts involved in this matter, and that the allegations set forth in the foregoing Notice for Removal are true and correct to the best of my knowledge, information and belief.


Michael K. Lorenz, Esquire

EXHIBIT A

SCOTT E. SCHERMERHORN, ESQUIRE
 Identification No. 60177
 The Ritz Building
 222 Wyoming Avenue
 Scranton, PA 18503
 (570) 348-1020

ATTORNEY FOR PLAINTIFFS,
 MELISSA & HAROLD FLOWER

MELISSA FLOWER and HAROLD FLOWER	:	IN THE COURT OF COMMON PLEAS
	:	OF WYOMING COUNTY
	:	
Plaintiffs	:	CIVIL ACTION - LAW
	:	
v.	:	JURY TRIAL DEMANDED
	:	
ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY	:	
	:	NO.: 2018-Civil-275
Defendant	:	

NOTICE TO DEFEND AND CLAIM RIGHTS

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and Notice are served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICES SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Wyoming County Prothonotary's Office
 Wyoming County Courthouse
 Courthouse Square
 Tunkhannock, PA 18657
 (570) 836-3200, ext. 232

PA. LAWYER REFERRAL SERVICE
 P.O. Box 186
 100 South Street
 Harrisburg, PA 17108
 PA Residents 1-800-692-7375
 Out-of-State 1-717-238-6715

SCOTT E. SCHERMERHORN, ESQUIRE
Identification No. 60177
The Ritz Building
222 Wyoming Avenue
Scranton, PA 18503
(570) 348-1020

ATTORNEY FOR PLAINTIFFS,
MELISSA & HAROLD FLOWER

**MELISSA FLOWER and HAROLD
FLOWER**

Plaintiffs

v.

**ALLSTATE PROPERTY AND
CASUALTY INSURANCE COMPANY**

Defendant

IN THE COURT OF COMMON PLEAS
OF WYOMING COUNTY

CIVIL ACTION - LAW

JURY TRIAL DEMANDED

NO.: 2018-Civil-275

COMPLAINT

AND NOW, comes the Plaintiffs, Melissa Flower and Harold Flower, by and through their attorney, Scott E. Schermerhorn, Esquire, and files the within Complaint against the Defendant, Allstate Property and Casualty Insurance Company, and in support thereof, avers as follows:

1. Plaintiffs, Melissa and Harold Flower, are adult married individuals residing at 225 Kehrli Road, Factoryville, County of Wyoming, Pennsylvania.
2. Defendant, Allstate Property and Casualty Insurance Company [hereinafter referred to as "Allstate"], is a foreign corporation organized and existing under the laws of the State of Illinois with its registered office located at 2775 Sanders Road, Northbrook, Illinois. At all times material herein, Allstate regularly conducted business in the Commonwealth of Pennsylvania.
3. Defendant, Allstate, was at all times mentioned herein, and still is, qualified to transact business as an insurer within the Commonwealth of Pennsylvania and

regularly engages in the sale of insurance in Pennsylvania at the present time.

4. At all times material herein, the Defendant was acting by and through its agents, representatives, workmen, employees, servants and/or other authorized individuals and/or entities on its behalf.
5. Plaintiffs were insured with Allstate through a Homeowner's Insurance Policy, specifically, Policy #928597714, providing various coverages, to include, the dwelling and other structure protection which served as the Plaintiffs' residence located at 225 Kehrli Road, Factoryville, County of Wyoming, Pennsylvania. (Attached hereto and made a part hereof is a true and correct copy of the aforementioned Homeowner's Policy with Declarations marked Exhibit "A")
6. The insurance contract provides in pertinent part as follows:

"Section I - Your Property

COVERAGE B - OTHER STRUCTURES PROTECTION

Property We Cover Under Coverage B:

1. "Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space."

7. The insurance contract further provides in pertinent part as follows:

"Section I - Your Property

COVERAGE C - Personal Property Protection

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world"

8. The insurance contract further provides in pertinent part as follows:

Additional Protection

1. Additional Living Expense

- a) **"We will pay the reasonable increase in living expenses necessary to maintain your normal standard of living when a direct physical loss we cover under ... Coverage B - Other Structures Protection ... makes your residence premises uninhabitable."**

"Payment for additional living expense as a result of a covered loss under ... Coverage B - Other Structures Protection ... will be limited to the least of the following:

- 1) the time period required to repair or replace the property we cover, using due diligence and dispatch; or**
- 2) if you permanently relocate, the shortest time for your household to settle elsewhere; or**
- 3) 12 months."**

9. The insurance contract further provides in pertinent part for debris removal and temporary repairs after a loss. (See Additional Coverages, Paragraphs 3 and 6).
10. The insurance contract further provides in pertinent part coverage for loss of use.
11. The insurance contract provides coverage for direct physical loss to property, unless limited or excluded under the policy.
12. The insurance contract provides coverage for risk of direct physical loss to property due to:

"11. Collapse. We will cover at the residence premises:

- a) the entire collapse of a covered building structure;**
- b) the entire collapse or part of a covered building structure; and**
- c) direct physical loss to covered property caused by a) or b) above."**

13. On or about March 18, 2017, the Plaintiffs' detached barn collapsed due to the

weight of ice and snow following a substantial snow storm.

14. Plaintiffs immediately reported the subject loss to the Defendant, Allstate.
15. The subject loss was caused by the weight of ice and snow.
16. Plaintiffs cooperated with any and all requests by the Defendant, and provided all relevant information requested by the Defendant.
17. Defendant paid approximately \$28,632.20 for the damage to the structure but failed to consider the scope of the damage to the remaining structure that did not collapse by specifically informing the Plaintiffs that a beam that was broken within a support wall was deteriorated, and therefore not covered as part of the claim. However, the substantial damage to the barn that Defendant declined to cover was a result of the collapse and resulted in the total loss of the remaining part of the structure.
18. Defendant denied coverage for the remaining part of the barn based upon alleged deterioration, wood rot, leaning walls and structural deficiencies unrelated to the snow and wind that caused the collapse, all of which was false.
19. Further, the damage, to include the metal roofing, resulted in the leaking of water that ruined the insulation in the barn ceiling.
20. Defendant's valuation of the loss was inadequate and valued substantially lower than the costs of the actual work and/or construction necessary to repair the barn.
21. Defendant failed to consider or pay loss of use as the Plaintiffs housed their horses in the barn which were displaced.

Count I
Breach of Contract

22. Plaintiffs incorporate herein by reference the allegations set forth in the foregoing

paragraphs.

23. The subject insurance policy provides coverage due to a loss caused by the weight of ice and snow.
24. The subject loss was not excluded by the subject policy, and was not due to alleged neglect or a poor condition of the barn.
25. Plaintiffs have paid all premiums and otherwise satisfied all conditions and covenants and performed all things required of them under the insurance contract between the Plaintiffs and the Defendant.
26. As a result of the aforesaid loss, the Plaintiffs have suffered a covered loss within the meaning of the insurance contract.
27. Defendant is obligated by the terms of the insurance contract to indemnify the Plaintiffs' losses and act in good faith in the evaluation, handling and processing of the Plaintiffs' claim.
28. Defendant's refusal to indemnify the Plaintiffs' loss in making payment to the Plaintiffs constitutes a breach of the insurance contract.
29. As a direct and proximate result of the Defendant's breach, the Plaintiffs have suffered a covered loss to the detached structure in an amount that exceeds the coverage for the structure in the amount of \$150,000.
30. As a direct and proximate result of the Defendant's breach, the Plaintiffs have suffered a covered loss to be determined as it is ongoing for loss of use of the damaged structure.
31. As a direct and proximate result of the Defendant's breach, the Plaintiffs have further

been damaged by having to expend sums necessary for temporary repairs or mitigation to the damage caused by the covered loss.

32. As a direct and proximate result of the Defendant's breach, the Plaintiffs are entitled to debris removal for the necessary repairs to the dwelling.

WHEREFORE, the Plaintiffs, Melissa and Harold Flower, demand judgment against the Defendant, Allstate Insurance Company, in an amount greater than Fifty Thousand Dollars (\$50,000.00), together with costs, interest, damages for delay, and such other relief as this Court deems just and proper.

Count II
Bad Faith Liability - 42 Pa.C.S. §8371

33. Plaintiffs incorporate herein by reference the allegations set forth in the foregoing paragraphs.
34. Defendant's conduct and actions by denying the claim and/or conducting an improper investigation, constitutes bad faith on the part of the Defendant towards its insured in that the Defendant:
- (a) failed to promptly and reasonably respond to the Plaintiffs' demands for prompt payment of the Plaintiffs' claimed losses;
 - (b) unreasonably and vexatiously refused to honor the claim and make payment of benefits to the Plaintiffs when it was clear that immediate payment of the Plaintiffs' losses were covered, justified and warranted;
 - (c) required the Plaintiffs to needlessly expend additional time, expense, and effort in order to obtain payment of the Plaintiffs' losses which would not be necessary if the Defendant acted in good faith and promptly paid the Plaintiffs the losses rightly due to them;
 - (d) denied, failed and/or refused to pay the Plaintiffs' claimed losses without reasonable foundation or basis to do so;

- (e) forced the Plaintiffs to unnecessarily incur significant expenses by failing to promptly pay the claimed losses that were rightly due to them;
- (f) failed to adopt and implement reasonable standards for prompt investigation and payment of the Plaintiffs' claimed losses arising out of the Plaintiffs' Homeowners' insurance contract;
- (g) failed to conduct a reasonable investigation into the loss;
- (h) failed to attempt in good faith to effectuate a prompt, fair, and equitable settlement of the Plaintiffs' claimed losses;
- (i) failed to exercise the utmost good faith and discharge of its statutory and contractual duties to the Plaintiffs;
- (j) failed to properly inspect the property;
- (k) disregarded information provided to it from the Plaintiffs;
- (l) hired, retained and relied upon the opinion of an engineer or other professional knowing that such opinion would be favorable to the Defendant on a financial incentive basis;
- (m) disregarded information provided to it from the Plaintiffs that the Defendant's inspection and/or engineering report was inadequate and/or flawed and/or erroneous in that the engineer erroneously concluded that a major portion of the damage was caused by the weight of ice and snow and wind; and/or
- (n) engaged in unfair claims settlement and insurance practices in violation of common law and Defendant's statutory obligations.

WHEREFORE, the Plaintiffs request that this Honorable Court take the following actions pursuant to 42 Pa.Cons. Stat. §8371:

1. Award interest on the amount of the Plaintiffs' claim against the Defendant, Allstate, from the date the claim was made at a rate equal to the prime rate plus six percent (6%)
2. Award punitive damages against the Defendant;

3. Assess court costs and reasonable attorney's fees against the Defendant;
and/or
4. Award such other relief as necessary and proper.

A handwritten signature in black ink, appearing to read 'Schermerhorn', is written over a horizontal line.

Scott E. Schermerhorn, Esquire
Attorney for the Plaintiffs
The Ritz Building
222 Wyoming Avenue
Scranton, PA 18503
(570) 348-1020

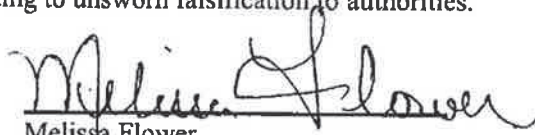
SCOTT E. SCHERMERHORN, ESQUIRE
Identification No. 60177
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222 Wyoming Avenue
Scranton, PA 18503
(570) 348-1020

ATTORNEY FOR PLAINTIFFS,
MELISSA & HAROLD FLOWER

MELISSA FLOWER and HAROLD FLOWER	:	IN THE COURT OF COMMON PLEAS
	:	OF WYOMING COUNTY
	:	
Plaintiffs	:	CIVIL ACTION - LAW
v.	:	
	:	JURY TRIAL DEMANDED
ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY	:	
	:	NO.: 2018-Civil-275
Defendant	:	

VERIFICATION

I, Melissa Flower, the undersigned, verify that the statements made in the foregoing Complaint are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S., Section 4904, relating to unsworn falsification to authorities.


Melissa Flower

Paul R Hirschler
330 Main Street
Dickson City PA 18519

Your Quick Insurance Check

- ✓ Verify the information listed in the Policy Declarations.
- ✓ Please call if you have any questions.
- ✓ Now you can pay your premium before your bill is issued - visit allstate.com or call 1-800-Allstate.



Harold Flower
and Melissa Ankerway
337 Atlantic St
Jessup PA 18434-1905

Thank you for choosing Allstate — we're delighted to have you with us!

Here's Your Homeowners Insurance Policy

Welcome to Allstate! I've enclosed your Allstate Property and Casualty policy, so you can begin enjoying:

- Quality coverage at competitive prices
- Access to our knowledgeable, helpful agent network
- The peace of mind of knowing your insurance provider is one of the most experienced in the industry

What's In This Package?

This mailing package contains your insurance documents, including your Policy Declarations — which lists your coverages, coverage limits, premiums and any discounts you're receiving. You'll want to review the Policy Declarations to make sure you're comfortable with the coverage choices you've made. Please store all of these documents with your other important papers.

Your Bill

Unless a mortgage company or lienholder pays your insurance premium for you, keep an eye out for your bill, which we'll send separately. But note that if you're enrolled in the Allstate Easy Pay Plan, you won't receive a bill. Instead, we'll send you a statement detailing your payment withdrawal schedule.

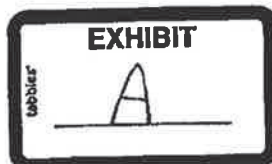
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Information as of
December 24, 2008

NP118



Have Questions? Please Contact Me

Give me a call at (570) 383-3803 if you have any questions or if you see something that needs updating — coverages, limits, deductibles. For online services, such as making a payment or viewing policy information, you can register at the Customer Care Center on allstate.com. And for 24-hour-a-day, 7-day-a-week service and information, just call 1-800-ALLSTATE® (1-800-255-7828).

We Appreciate Your Business

Thanks again for choosing Allstate — where you get more than great coverage and service. You get Allstate's 75 years of business experience behind you, plus the freedom to manage your policy your way.



Paul R. Hirschler
Your Allstate Agent

Allstate Property and Casualty Insurance Company**Homeowners
Policy Declarations****Summary**

NAMED INSURED(S)
Harold Flower
and Melissa Ankerway
337 Atlantic St
Jessup PA 18434-1905

YOUR ALLSTATE AGENT IS:
Paul R Hirschler
330 Main Street
Dickson City PA 18519

CONTACT YOUR AGENT AT:
(570) 383-3803

POLICY NUMBER
9 28 597714 12/30

POLICY PERIOD
Begins on Dec. 30, 2009
at 12:01 A.M. standard time,
with no fixed date of expiration

PREMIUM PERIOD
Dec. 30, 2009 to Dec. 30, 2010
at 12:01 A.M. standard time

LOCATION OF PROPERTY INSURED
225 Kehrl Rd, Factoryville, PA 18419-2806

MORTGAGEE

• **BANK OF AMERICA NA**
P O Box 961291 Fort Worth TX 76161-0291

Loan # NONE

Total Premium for the Premium Period *(Your bill will be mailed separately)*

Premium for Property Insured \$1,804.37

TOTAL \$1,804.37

PROP *510003709122457001682502*



Information as of
December 24, 2009

Page 1
PA070N60

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
 For Premium Period Beginning: Dec. 30, 2009

POLICY COVERAGES AND LIMITS OF LIABILITY**COVERAGE AND APPLICABLE DEDUCTIBLES**
(See Policy for Applicable Terms, Conditions and Exclusions)**LIMITS OF LIABILITY**

Dwelling Protection - with Building Structure Reimbursement Extended Limits	\$389,000	
• \$500 All Other Peril Deductible Applies		
• \$7,780 Tropical Cyclone Deductible Applies		
Other Structures Protection	\$150,000	
• \$500 All Other Peril Deductible Applies		
• \$7,780 Tropical Cyclone Deductible Applies		
Personal Property Protection - Reimbursement Provision	\$233,400	
• \$500 All Other Peril Deductible Applies		
• \$7,780 Tropical Cyclone Deductible Applies		
Additional Living Expense	Up To 12 Months Not To Exceed \$38,900	
Family Liability Protection	\$300,000	each occurrence
Guest Medical Protection	\$1,000	each person

DISCOUNTS Your premium reflects the following discounts on applicable coverage(s):
 Protective Device 4.00 %

RATING INFORMATION

The dwelling is of Frame construction and is occupied by 1 family
 Your dwelling is 1 mile(s) to the fire department

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Your Policy Documents

Your Homeowners policy consists of this Policy Declarations and the documents listed below. Please keep these together.

- Homeowners Policy form APC215
- Bldg. Struct. Reimb. Ext. Limits End. form APC198
- Tropical Cyclone Deductible End. form AP4544
- PA HO Policy Amendatory Endorsement form AP4556

Important Payment and Coverage Information

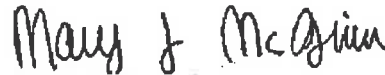
The Property Insurance Adjustment condition applies.

Please note: This is not a request for payment. Any adjustments to your premium will be reflected on your next scheduled bill which will be mailed separately.

IN WITNESS WHEREOF, Allstate Property and Casualty Insurance Company has caused this policy to be signed by two of its officers at Northbrook, Illinois, and if required by state law, this policy shall not be binding unless countersigned on the Policy Declarations by an authorized agent of Allstate Property and Casualty Insurance Company.



Frederick F. Cripe
President



Mary J. McGinn
Secretary

PROP *510003700122457001682503*



Information as of
December 24, 2009

Page 3

PACT0960

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

DWELLING PROFILE

Allstate has determined that the estimated cost to replace your home is : \$388,708

The enclosed Policy Declarations shows the limit of liability applicable to Coverage A—Dwelling Protection of your homeowners insurance policy. The estimated replacement cost of your home is the minimum amount for which we will insure your home.

The decision regarding the limit applicable to your Coverage A — Dwelling Protection is your decision to make, as long as, at a minimum, your limit equals the estimated replacement cost as determined by Allstate and does not exceed maximum coverage limitations established by Allstate.

It is important to keep in mind that your Coverage A limits reflect a replacement cost that is only an estimate based on data that was available to us when we made this estimate (this data is described further below). The actual amount it will cost to replace your home cannot be known until after a covered total loss has occurred.

How is the replacement cost estimated?

Many factors can affect the cost to replace your home, including its age, size, and type of construction. For example, the replacement cost uses construction data, such as labor and materials, that are available to us when we made this estimate. This estimate is also based on characteristics of the home, which include information that you provided to us. You might have chosen to insure your home for a higher amount than the estimated replacement cost shown above.

Note to customers renewing their policy

The estimated replacement cost for your home may have changed since the last time we communicated this information to you. This is because, at renewal, Allstate uses the home characteristics that you have provided to us to recalculate and update the estimated replacement cost. Using updated labor and material rates for your zip code, Allstate takes the home characteristics you have provided and determines the updated estimated replacement cost. The information about your home's characteristics is provided below.

If the information about your home shown below requires any change or if you have any questions or concerns about the information contained in this Important Notice, please contact your Allstate representative, or call us at 1-800-Allstate.®

DWELLING STYLE: 2.0 Story(s), 1 Family(s), Built 1920, Living Area 2400 sq. ft.

CONSTRUCTION: 100% Basement

ADDITIONS: Attached Structures -- Open Porch 200 sq. ft.

Attached Structures -- Wood Deck 250 sq. ft.

Interior -- Kitchen - Basic (1)

Interior -- Full Bath - Basic (1)

Interior -- Half Bath - Basic (1)

DETAIL: Exterior Walls -- Wood Siding 100 %

Roofing -- Asphalt/Fiberglass Shingle 100 %

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Interior Partitions -- Plaster 100 %

Interior Partitions -- 10ft Wall Height 100 %

Heating & Cooling -- Heating - Oil 100 %

X67831

PROP *S10003709122457001682504*



Information as of
December 24, 2009

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P40701603

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

Allstate's Privacy Policy

At Allstate, we value you as a customer and share your concerns about privacy. To help you understand how we treat the nonpublic personal information ("customer information") that we obtain from you or other sources in the course of providing you with products and services, this notice describes our use and protection of that information.

Whether you're doing business with us through your local agent or broker, our Customer Information Center, or allstate.com, we want you to know that Allstate respects your privacy and protects your information.

- We do not sell customer information.
- We do not share your customer information with persons, companies, or organizations outside of Allstate that would use that information to contact you about their own products and services.
- We expect persons or organizations that provide services on our behalf to keep customer information confidential and to use it only to provide the services we've asked them to perform.
- Within Allstate, we communicate to our employees regarding the need to protect customer information, and we've established physical, electronic, and procedural safeguards to protect customer information.

Below we've provided answers to questions that might be on your mind regarding privacy. You may be wondering...

What do we do with your customer information?

Allstate does not sell your customer information, or medical information, to anyone. Nor do we share it with companies or organizations outside of Allstate that would use that information to contact you about their own products and services. If that practice were ever to change, we would, of course, offer you the ability to opt out of this type of information sharing, and we would offer you the opt-out with time for you to respond before the change in our practice took place.

Your agent or broker may use customer information to help you with your overall insurance program. We may also communicate with you about products, features, and options you have expressed an interest in or that we believe may be of interest to you. We may, without authorization but only as permitted or required by law, provide customer information to persons or organizations both inside and outside of Allstate to fulfill a transaction you have requested, service your policy, market our products to you, investigate or handle claims, detect or prevent fraud, participate in insurance support organizations, or comply with lawful requests from regulatory and law enforcement authorities. These persons or organizations may include: our affiliated companies, companies that perform marketing services on our behalf, other financial institutions with which we have a joint marketing agreement for the sale of our own products, and your agent or broker.

What kind of customer information do we have, and where did we get it?

Much of the customer information that we have about you comes directly from you. When submitting your application or request for insurance or other products and services we offer, or requesting an insurance quote, you may give us information such as your name, address, and Social Security number. We keep information about your transactions with our affiliates, others or us—for example, the types of products and services you purchase from us, premiums, account balances, and payment history.

We also may collect information from outside sources, including consumer reporting agencies and health care providers. This information may include loss information reports, motor vehicle reports, credit reports, and medical information.



Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

How do we protect your customer information?

When we share customer information with companies working on Allstate's behalf, we expect those companies to use that information only to provide the service we have asked them to perform. Within Allstate, customer information is available to those individuals who may need to use it to fulfill and service the needs of Allstate customers. We communicate the need to protect customer information to all employees and agents, especially those individuals who have access to it. Plus, we've established physical, electronic, and procedural safeguards to protect customer information.

Finally, should your relationship with Allstate end, your customer information will remain protected in accordance with our privacy practices as outlined in this Important Notice.

How can you find out what information we have about you?

You may request to either see, or obtain from us by mail, the customer information about you in our records. If you believe that information is incomplete or inaccurate, you may request that we make any necessary corrections, additions or deletions to the disputed customer information. To fulfill your request, we may make arrangements with an insurance support organization or a consumer reporting agency to copy and disclose customer information to you on our behalf. You may also request a more complete description of the entities to which we disclose customer information, or the circumstances that might warrant such disclosures. Please send any of the requests listed above in writing to: Allstate Insurance Company, Customer Privacy Inquiries, P.O. Box 11904, Roanoke, VA 24022.

If you are an Internet user...

Our website, allstate.com, provides information about Allstate, our products, and the agencies and brokers that represent us. You may also perform certain transactions on the website. When accessing allstate.com, please be sure to read the Privacy Statement that appears there.

To learn more, the allstate.com Privacy Statement provides important information relating to your use of the website, including, for example, information regarding: 1) our use of online collecting devices known as "cookies"; 2) our collection of information such as IP address (the number assigned to your computer when you use the Internet), browser and platform types, domain names, access times, referral data, and your activity while using our site; 3) who should use our web site; 4) the security of information over the Internet and 5) links and co-branded sites.

We hope you have found this Important Notice helpful. If you have any questions or would like more information, please don't hesitate to contact your Allstate agent or call the Allstate Customer Information Center at 1-800-Allstate.

X66702-1v3

This notice is being provided on behalf of the following companies:

Allstate County Mutual Insurance Company

Allstate Indemnity Company

Allstate Investment Management Company

Allstate New Jersey Insurance Company

Allstate Texas Lloyd's

Forestview Mortgage Insurance Company

Allstate New Jersey Property and Casualty Insurance Company

Allstate Fire and Casualty Insurance Company

Allstate Insurance Company

Allstate Motor Club, Inc.

Allstate Property and Casualty Insurance Company

Allstate Texas Lloyd's, Inc.

General Underwriters Agency, Inc.

Roadway Protection Auto Club, Inc.

(ed. 09/2006)

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

Important Information About Your Allstate Policy

The enclosed Policy Declarations lists important information about your policy, such as your address, the location of the insured property, the coverages and coverage limits you've chosen, and mortgagee information, if applicable. Your Policy Declarations also lists any discounts and surcharges applied to your policy.

Because much of the information found on your Policy Declarations is used to help us determine your premium, please be sure to review your Policy Declarations carefully each time you receive one. You may want to add coverage, delete coverage or change your coverage limits — or you may want to update coverage on valuable personal items, such as jewelry or artwork.

Another thing to keep in mind is that you may now qualify for discounts that you previously were not eligible to receive. For instance, in many states, Allstate offers discounts for:

- policyholders who are 55 years of age or older and who are no longer working;
- homes that contain smoke detectors and other protective devices; and
- policyholders who insure both their homes and autos with Allstate.

Please contact your Allstate representative for additional information about discount qualifications, as well as other discounts that may be available.

Making changes to your policy

If you need to make a change to any of the information listed on your Policy Declarations, please notify your Allstate representative of the change as soon as possible. With a few exceptions, any changes will be effective as of the date you notify us.

If you have any questions about this notice, or if you need to update any of the information listed on the enclosed Policy Declarations, please contact your Allstate agent or our Customer Information Center at 1-800-ALLSTATE (1-800-255-7828).

X67106

PROP "510003709122457001662506"



Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: . Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

Information about Flood Insurance

Protection against flood damage

Most homeowners, renters and commercial insurance policies do not provide coverage for damage caused by floods. In fact, protection against floods is generally available only through a separate policy.

That's why Allstate is a participant in the National Flood Insurance Program and offers standard flood insurance policies*. A flood policy can help complete the insurance protection for your property and help protect your financial well-being.

You may need it more than you think

Approximately 90% of all disasters in the U.S. are flood related. While you may think that it couldn't happen to you, over 25% of all flood losses occur in low to moderate risk areas.

And because flood damage is often accompanied by other damage, such as wind and hail (which is typically covered under a property policy), selecting Allstate gives you the convenience and peace of mind that comes with working with just one claim adjuster and one agent, instead of two or more.

It's affordable

The federal government sets the rates for flood insurance, so there's typically no difference in rates from policy to policy—you can generally switch to a flood insurance policy administered by Allstate for the same amount of premium. If you choose Allstate, you can have the service, convenience and comfort you've come to expect from us.

For more information about flood insurance, or if you have any questions about your policy in general, please contact your Allstate representative or visit us at allstate.com.

*Allstate provides the standard flood insurance policy under the terms of the National Flood Insurance Act of 1968 and its amendments, and Title 44 of the Code of Federal Regulations. The standard flood insurance policy is written by Allstate for the National Flood Insurance Program which is administered by the Federal Insurance Administration, part of the Federal Emergency Management Agency.

Subject to availability and qualifications. Other terms, conditions and exclusions may apply.

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Information about Scheduled Personal Property Coverage

Protection for your valuables

Allstate offers Scheduled Personal Property (SPP) coverage to help protect your valuables.

These items can include jewelry (such as engagement and wedding rings), fine art and musical instruments. Sports equipment, such as golf clubs, can also be covered by SPP.

In addition, SPP can cover valuables stored outside of your home in a safe deposit box or bank.

Already have SPP?

Even if you currently have SPP coverage, it's a good idea to review your coverage annually. It's possible that the value of your property has changed or that you have purchased new items that have not been added to your coverage.

Affordable coverage

The cost of SPP coverage varies, but the value of your property is the best way to determine how much coverage you need—the rates are generally a small percentage of the total value of the items you're insuring. This could mean that your valuables are being protected for only a fraction of the cost.

To learn more about SPP coverage, or if you have any questions about your insurance policy in general, contact your Allstate representative, or visit us at allstate.com.

Subject to availability and qualifications. Other terms, conditions and exclusions may apply.

X67372v1

Page 2

PROP *510003700122467001682507*



Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

Information About Credit Reports and Your Insurance

The Connection Between Credit History and Premium

We determine premiums primarily from the information you provide on your insurance application. But other factors, such as credit information, also play an important role. In fact, certain credit report information has proved an effective predictor of insurance losses. It also allows insurance companies to keep costs competitive by helping make it possible for customers who are less likely to experience losses to pay less for their insurance.

With this goal in mind, and as permitted by law, we ordered credit report information about you and your spouse.

Based in whole or in part on the information provided to us by the consumer reporting agency listed below, we are unable to offer you a lower rate:
based on the credit information available to us.

You May Request A Free Credit Report

Section 612 of the Fair Credit Reporting Act entitles you to a free copy of your consumer report if you request it within 60 days of receiving this notice (even if the report did not contain sufficient information regarding credit status). You also have the right, under Section 611 of the Fair Credit Reporting Act, to dispute with the consumer reporting agency the accuracy or completeness of any information in the report furnished by the agency.

If you'd like a free copy of your credit report, be sure to make your request within 60 days. You can contact the consumer reporting agency at: TransUnion National Disclosure Center, 2 Baldwin Place, PO Box 1000, Chester, PA 19022, Phone: (888) 503-0048. Or log on to www.transunion.com.

But please keep in mind that the consumer reporting agency did not make the decision to take this adverse action and will not be able to provide you with any specific reasons regarding why we made this decision about your premium. If you have any questions about our rating practices or your insurance in general, please feel free to contact your insurance representative.

And keep in mind that changes to your name and address within the past two years can affect the completeness of your credit file. Please contact your insurance representative to confirm that we have your most current information.

X67392v3

(ed. 02/07)

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

Please notify us of extraordinary circumstances that negatively impacted your credit history information.

Please contact Allstate if you believe that any of the events set forth below resulted in extraordinary circumstances that may have negatively impacted your credit history information.

- a) Divorce
- b) Death of a Spouse or Member of the Same Household
- c) Involuntary Unemployment
- d) Catastrophic Medical Expense
- e) Care of Adult Dependent
- f) Identity Theft
- g) Long-term Injury, Illness or Disability
- h) Care of a Dependent Grandchild
- i) Domestic violence
- j) Add any additional state-specific events as required by law.

Please contact Allstate at 1-877-304-2644 if you believe your credit history information may have been negatively impacted by extraordinary circumstances. Allstate will send you an Extraordinary Circumstances Appeal Form that you will be asked to complete and return to Allstate along with documentation that supports your appeal. Once your Extraordinary Circumstances Appeal Form and supporting documentation are received, Allstate will be able to determine whether or not you qualify for a lower premium. In any case, you will be notified of the outcome of our review.

Please note that if you wish to pursue this additional review, please contact Allstate within 90 days of the date your policy begins as shown in the policy declarations.

X72269

PROP *510003709122457001682508*



Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Important Notice

The company listed below uses local agencies to assist customers with their insurance decision-making process by providing customers with information and high quality service. These agencies provide numerous services to customers on the company's behalf. Agencies are paid a commission by the company for selling and servicing the company's insurance policies and may be eligible to receive additional compensation and rewards based on performance.

Allstate Property and Casualty Insurance Company

X72006

Allstate Property and Casualty Insurance Company Homeowners Policy

PENNSYLVANIA

Policy: 9 28 597714 12/30

Issued to:
Harold Flower
and Melissa Ankerway
337 Atlantic St
Jessup PA 18434-1905

Effective: December 30, 2009

By your Allstate agent:
Paul R Hirschler
330 Main Street
Dickson City PA 18519



Allstate Property and Casualty Insurance Company
The Company Named in the Policy Declarations
A Stock Company—Home Office: Northbrook, Illinois 60062

PROP *610003709122457001682505*



APC215

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Agreements We Make With You

We make the following agreements with you:

General

Definitions Used In This Policy

Throughout this policy, when the following words appear in bold type, they are defined as follows:

1. **Bodily Injury** – means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:
 - a) any venereal disease;
 - b) Herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

In addition, **bodily injury** does not include any symptom, effect, condition, disease or illness resulting in any manner from:

- a) lead in any form;
- b) asbestos in any form; or
- c) radon in any form.

2. **Building structure** – means a structure with walls and a roof.
3. **Business** – means:
 - a) any full-or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**.

However, the mutual exchange of home day care services is not considered a **business**;

 - b) the rental or holding for rental of property by an **insured person**. Rental of your



residence premises is not considered a business when:

- 1) it is rented occasionally for residential purposes;
- 2) a portion is rented to roomers or boarders, provided not more than two roomers or boarders reside on the residence premises at any one time; or
- 3) a portion is rented as a private garage.

4. **Dwelling** — means the single family building structure identified as the insured property on the Policy Declarations, where you reside and which is principally used as a private residence.

5. **Insured person(s)** — means you and, if a resident of your household:

- a) any relative; and
- b) any person under the age of 21 in your care.

Under Coverage X — Family Liability Protection and Coverage Y — Guest Medical Protection, Insured person also means:

- a) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an insured person. We do not cover any person or organization using or having custody of animals or watercraft in any business, or without permission of the owner;
- b) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an insured person.

6. **Insured premises** — means:

- a) the residence premises; and
- b) under Section II only:
 - 1) the part of any other premises, other structures and grounds used by you as a residence. This includes premises, structures and grounds you acquire for your use as a private

residence while this policy is in effect;

- 2) any part of a premises not owned by an insured person but where an insured person is temporarily living;
- 3) cemetery plots or burial vaults owned by an insured person;
- 4) land owned by or rented to an insured person where a single family dwelling is being built as that person's residence;
- 5) any premises used by an insured person in connection with the residence premises;
- 6) any part of a premises occasionally rented to an insured person for other than business purposes.

7. **Occurrence** — means an accident, including continuous or repeated exposure to substantially the same general harmful conditions during the policy period, resulting in bodily injury or property damage.

8. **Property damage** — means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.

9. **Remediation** — means the reasonable and necessary treatment, removal or disposal of mold, fungus, wet rot or dry rot as required to complete repair or replacement of property we cover under Coverage A — Dwelling Protection, Coverage B — Other Structures Protection or Coverage C — Personal Property Protection damaged by a covered water loss, including payment for any reasonable increase in living expenses necessary to maintain your normal standard of living if mold, fungus, wet rot or dry rot makes your residence premises uninhabitable. Remediation also includes any investigation or testing to detect, measure or evaluate mold, fungus, wet rot or dry rot.

10. **Residence employee** — means an employee of an insured person while performing duties arising out of and in the course of employment in connection with the maintenance or use of

your residence premises. This includes similar duties performed elsewhere for an **Insured person**, not in connection with the business of an **insured person**.

11. **Residence premises** -- means the dwelling, other structures and land located at the address stated on the Policy Declarations.
12. **We, us or our** -- means the company named on the Policy Declarations.
13. **You or your** -- means the person listed under **Named Insured(s)** on the Policy Declarations as the insured and that person's resident spouse.

Insuring Agreement

In reliance on the information **you** have given us, we agree to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions, and inform us of any change in title, use or occupancy of the **residence premises**.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or occurrences that take place during the policy period. The Policy Period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

This policy imposes joint obligations on the **Named Insured(s)** listed on the Policy Declarations as the insured and on that person's resident spouse. These persons are defined as **you or your**. This means that the responsibilities, acts and omissions of a person defined as **you or your** will be binding upon any other person defined as **you or your**.

This policy imposes joint obligations on persons defined as an **Insured person**. This means that the responsibilities, acts and failures to act of a person defined as an **Insured person** will be binding upon another person defined as an **Insured person**.

Conformity To State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is located, the provisions are amended to conform to such statutes.

Coverage Changes

When we broaden coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is based on information **you** have given us. **You** agree to cooperate with us in determining if this information is correct and complete. **You** agree that if this information changes, is incorrect or incomplete, we may adjust **your** coverage and premium accordingly during the premium period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for our use in **your** state. The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without our written consent.

Continued Coverage After Your Death

If **you** die, coverage will continue for one hundred and eighty days after **your** death or until the sale of the insured property whichever event occurs first, provided that the premiums for the coverage are paid. Coverage will continue for:

- 1) **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of **your** death.
- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.



Cancellation**Your Right to Cancel:**

You may cancel this policy by notifying us of the future date you wish to stop coverage.

Our Right to Cancel:

We may cancel this policy by mailing notice to you at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with us, we may cancel this policy for any reason.

When this policy has been in effect for 60 days or more, or if it is a renewal with us, we may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by material misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material facts in presenting a claim, or substantial violation of any of the policy terms; or
- 4) there has been a substantial change or increase in hazard in the risk we originally accepted;
- 5) there is a substantial increase in hazards insured against by reason of willful or negligent acts or omissions by the insured; or
- 6) any other reason approved by the Commissioner of Insurance according to rules and regulations set by the Commissioner.

We will give you at least 30 days notice before the cancellation or non-renewal takes effect. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. Your return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

We have the right not to renew or continue the policy beyond the current premium period. However, we may do so only for one or more of the reasons set out in the "Our Right to Cancel" section. If we do not intend to continue or renew the policy, we will mail

you notice at least 30 days before the end of the premium period.

Any unearned premium amounts under \$2.00 will be refunded only upon your request.

Conditional Reinstatement

If we mail a cancellation notice because you didn't pay the required premium when due and you then tender payment by check, draft, or other remittance which is not honored upon presentation, your policy will terminate on the date and time shown on the cancellation notice and any notice we issue which waives the cancellation or reinstates coverage is void. This means that we will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice.

Payment

If at any time, your payment of any premium amount due is made by check, electronic transaction, or other remittance which is not honored because of insufficient funds or a closed account; you will be charged a fee.

Misrepresentation, Fraud or Concealment

We may void this policy if it was obtained by misrepresentation, fraud or concealment of material facts. If we determine that this policy is void, all premiums paid will be returned to you since there has been no coverage under this policy.

We do not cover any loss or occurrence in which any insured person has concealed or misrepresented any material fact or circumstance.

What Law Will Apply

This policy is issued in accordance with the laws of Pennsylvania and covers property or risks principally located in Pennsylvania. Subject to the following paragraph, the laws of Pennsylvania shall govern any and all claims or disputes in any way related to this policy.

If a covered loss to property, or any other occurrence for which coverage applies under this policy happens outside Pennsylvania, claims or disputes regarding that covered loss to property, or any other covered occurrence may be governed by the laws of the

jurisdiction in which that covered loss to property, or other covered occurrence happened, only if the laws of that jurisdiction would apply in the absence of a contractual choice of law provision such as this.

Where Lawsuits May Be Brought

Subject to the following two paragraphs, any and all lawsuits in any way related to this policy, shall be brought, heard and decided only in a state or federal court located in Pennsylvania. Any and all lawsuits against persons not parties to this policy but involved in the sale, administration, performance, or alleged breach of this policy, or otherwise related to this policy, shall be brought, heard and decided only in a state or federal court located in Pennsylvania, provided that such persons are subject to or consent to suit in the courts specified in this paragraph.

If a covered loss to property, or any other occurrence for which coverage applies under this policy happens outside Pennsylvania, lawsuits regarding that covered loss to property, or any other covered occurrence may also be brought in the judicial district where that covered loss to property, or any other covered occurrence happened.

Nothing in this provision, **Where Lawsuits May Be Brought**, shall impair any party's right to remove a state court lawsuit to a federal court.

Action Against Us

No one may bring an action against us unless there has been full compliance with all policy terms.

Any action against us to which neither the **Action Against Us** provision located in **Section I Conditions** nor the **Action Against Us** provision located in **Section II Conditions** applies must be commenced within one year of the date the cause of action accrues.

If an action is brought asserting claims relating to the existence or amount of coverage, or the amount of loss for which coverage is sought, under different coverages of this policy, the claims relating to each coverage shall be treated as if they were separate actions for the purpose of the time limit to commence action.

Arbitration

Any claim or dispute in any way related to this policy, by an **insured person** under this policy against us or us against an **insured person** under this policy, may be resolved by arbitration only upon mutual consent of the parties. Arbitration pursuant to this provision shall be subject to the following:

- a) no arbitrator shall have the authority to award punitive damages or attorney's fees;
- b) neither of the parties shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- c) no arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

Section I – Your Property

Coverage A

Dwelling Protection

Property We Cover Under Coverage A:

1. **Your dwelling** including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
2. Construction materials and supplies at the residence premises for use in connection with **your dwelling**.
3. Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under Coverage A:

1. Any structure including fences or other property covered under **Coverage B – Other Structures Protection**.
2. Land.
3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.



Coverage B
Other Structures Protection

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from your dwelling by clear space.
2. Structures connected to your dwelling by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of the residence premises for use in connection with structures other than your dwelling.
4. Wall-to-wall carpeting fastened to building structures on the residence premises other than your dwelling.

Property We Do Not Cover Under Coverage B:

1. Structures used in whole or in part for business purposes.
2. Any structure or other property covered under Coverage A – Dwelling Protection.
3. Land.
4. Construction materials and supplies at the address of the residence premises for use in connection with the dwelling.
5. Satellite dish antennas and their systems, whether or not attached to building structures.

Losses We Cover Under Coverages A and B:

We will cover sudden and accidental direct physical loss to property described in Coverage A – Dwelling Protection and Coverage B – Other Structures Protection except as limited or excluded in this policy.

Coverage C
Personal Property Protection

Property We Cover Under Coverage C:

1. Personal property owned or used by an insured person anywhere in the world. When personal property is located away from the residence premises, coverage is limited to 10% of Coverage C – Personal Property Protection.
2. At your option, personal property owned by a guest or residence employee while the property is in a residence you are occupying.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under Coverage C – Personal Property Protection. The total amount of coverage for each group in any one loss is as follows:

1. \$50 – Money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards.
2. \$200 – Property used or intended for use in a business while the property is away from the residence premises. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$250 – Theft of any recording or storage media while such property is away from the residence premises, whether or not it is used with electronic data processing equipment or in a business. Recording or storage media includes, but is not limited to:
 - a) tapes;
 - b) CDs, DVDs and other discs;
 - c) records;
 - d) disks;
 - e) reels;
 - f) cassettes;

- g) cartridges; or
- h) programs.

4. \$500 – Theft of tools and their accessories.
5. \$1,000 – Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware and furs, including any item containing fur which represents its principal value.
6. \$1,000 – Property used or intended for use in a business, including property held as samples or for sale or delivery after sale, while the property is on the residence premises. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
7. \$1,000 – Trading cards, subject to a maximum amount of \$250 per card.
8. \$1,000 – Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property.
9. \$1,000 – Manuscripts, including documents stored on electronic media.
10. \$1,000 – Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
11. \$1,000 – Trailers not used with watercraft.
12. \$1,000 – Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
13. \$1,500 – Electronic data processing equipment and the recording or storage media used with that equipment whether or

not the equipment is used in a business. Recording or storage media will be covered only up to:

- a) the retail value of the media, if pre-programmed; or
- b) the retail value of the media in blank or unexposed form, if blank or self-programmed.

14. \$2,000 – Theft of firearms, their related equipment, and accessories.
15. \$2,500 – Motorized land vehicles used solely for the service of the insured premises and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.
16. \$2,500 – Theft of goldware, silverware, pewterware and platinumware.

Property We Do Not Cover Under Coverage C:

1. Personal property specifically described and insured by this or any other insurance.
2. Animals.
3. Motorized land vehicles, including, but not limited to, any land vehicle powered or assisted by a motor or engine. We do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. We do cover motorized land vehicles designed for assisting the disabled or used solely for the service of the insured premises and not licensed for use on public roads subject to **Limitations On Certain Personal Property**, item 15.
4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders, or tenants not related to you.



6. Property located away from the residence premises and rented or held for rental to others.
7. Satellite dish antennas and their systems.

Losses We Cover Under Coverage C:

We will cover sudden and accidental direct physical loss to the property described in Coverage C — Personal Property Protection, except as limited or excluded in this policy, caused by:

1. Fire or Lightning.

2. Windstorm or Hail.

We do not cover:

- a) loss to covered property inside a building structure, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall;
- b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed building structure. However, we do cover canoes and rowboats on the residence premises.

3. Explosion.

4. Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles.

7. Smoke.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.

8. Vandalism and Malicious Mischief.

We do not cover vandalism or malicious mischief if your dwelling has been vacant or

unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A dwelling under construction is not considered vacant or unoccupied.

9. Falling objects.

We do not cover loss to personal property inside a building structure unless the falling object first damages the exterior walls or roof of the building structure.

10. Weight of ice, snow or sleet which causes damage to personal property in a building structure, but only if the building structure is damaged due to the weight of ice, snow or sleet.

11. Increase or decrease of artificially generated electrical current to electronics, electrical appliances, fixtures and wiring.

12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.

13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow.

We do not cover loss to the system or appliance from which the water or steam escapes, or loss from water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

14. Freezing of a plumbing, heating or air conditioning system or a household appliance.

We do not cover loss at the residence premises under perils 12), 13), and 14) caused by or resulting from freezing while the building

structure is vacant, unoccupied or under construction unless you have used reasonable care to:

- a) maintain heat in the building structure; or
- b) shut off the water supply and drain the water from the systems and appliances.

15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:

- a) theft or attempted theft committed by an insured person;
- b) theft in or from the residence premises while under construction or of materials and supplies for use in construction, until the dwelling is completed and occupied;
- c) theft of any property while at any other residence owned, rented to or occupied by an insured person unless the insured person is temporarily residing there;
- d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the residence premises;
- e) theft from that part of the residence premises rented by you to other than an insured person.

16. Breakage of glass, meaning damage to covered personal property caused by breakage of glass constituting a part of any building structure on the residence premises. This does not include damage to the glass.

Additional Protection

1. Additional Living Expense

- a) We will pay the reasonable increase in living expenses necessary to maintain your normal standard of living when a direct physical loss we cover under Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection makes your residence premises uninhabitable. However, additional living expense due to

remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under Section I, Conditions – Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.

Payment for additional living expense as a result of a covered loss under Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection will be limited to the least of the following:

- 1) the time period required to repair or replace the property we cover, using due diligence and dispatch; or
- 2) if you permanently relocate, the shortest time for your household to settle elsewhere; or
- 3) 12 months.

Additional Living Expense will not exceed the amount indicated on your Policy Declarations.

- b) We will pay the reasonable and necessary increase in living expenses for up to two weeks should civil authorities prohibit the use of the residence premises due to a loss at a neighboring premises caused by a loss we insure against. However, payments for increase in living expenses due to remediation of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under Section I, Conditions – Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

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2. Credit Card, Debit Card or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money

We will pay for loss:

- a) that an **Insured person** is legally required to pay for the unauthorized use of any
 - 1) credit card;
 - 2) debit or automated teller machine card;
 - 3) bank fund transfer card;
 - 4) code;
 - 5) account number;
 - 6) personal identification number; or
 - 7) other means of account access that can be used, alone or in conjunction with items 1) through 7) above, to obtain money, goods, services, or any other thing of value, or that can be used to initiate a transfer of funds.
- b) caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account;
- c) to an **Insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

Our maximum limit of liability for any one loss is \$1,000, regardless of the number of persons involved. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- a) loss arising from any business of an **insured person**;
- b) loss caused by or at the direction of an **Insured person** or any other person who has been entrusted with any credit card, debit or automated teller machine card, or bank fund transfer card;
- c) loss arising out of dishonesty of an **insured person**.

When loss is discovered, the **insured person** must give us immediate notice. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, the **insured person** must also give immediate notice to the company or bank that issued the card. Failure to comply with the

terms and conditions of the card voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to us within one year after the policy has terminated. We have the right to investigate and settle any claim or suit as we deem appropriate. Full payment of the amount of insurance for any one loss ends our obligation under each claim or suit arising from the loss.

When this coverage applies, we will defend any suit brought against an **insured person** for the enforcement of payment that an **insured person** is legally required to make as a result of the unauthorized use of any credit card, debit or automated teller machine card, or bank fund transfer card issued to or registered in the name of an **insured person**. The defense will be at our expense, with counsel of our choice.

When this coverage applies, we have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment legally required to be made as a result of forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account. The defense will be at our expense, with counsel of our choice.

No deductible applies to this protection.

3. Debris Removal

We will pay reasonable expenses you incur to remove debris of covered property damaged by a loss we cover. If the loss to the covered property and the cost of debris removal are more than the Limit Of Liability shown on the Policy Declarations for the covered property, we will pay up to an additional 5% of that limit for debris removal.

4. Emergency Removal Of Property

We will pay for sudden and accidental direct physical loss to covered property from any

cause while removed from a premises because of danger from a loss we cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. Fire Department Charges

We will pay up to \$500 for service charges made by fire departments called to protect your property from a loss we cover at the residence premises. No deductible applies to this protection.

6. Temporary Repairs After A Loss

We will reimburse you up to \$5,000 for the reasonable and necessary cost you incur for temporary repairs to protect covered property from further imminent covered loss following a loss we cover. This coverage does not increase the limit of liability applying to the property being repaired.

7. Trees, Shrubs, Plants and Lawns

We will pay up to 5% of the Limit Of Liability shown on the Policy Declarations under Coverage A – Dwelling Protection for loss to trees, shrubs, plants and lawns at the address of the residence premises. We will not pay more than \$500 for any one tree, shrub, or plant including expenses incurred for removing debris. This coverage applies only to direct physical loss caused by fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned by an occupant of the residence premises, vandalism or malicious mischief, theft or collapse of a building structure or any part of a building structure.

We will pay up to \$500 per occurrence for reasonable expenses you incur for the removal of debris of trees at the address of the residence premises for direct loss caused by windstorm, hail, or weight of ice, snow or sleet if:

- a) The fallen tree causes damage to property covered under Coverage A – Dwelling Protection or Coverage B – Other Structures Protection;

- b) The windstorm, hail or weight of ice, snow or sleet causes damage to property covered under Coverage A – Dwelling Protection or Coverage B – Other Structures Protection and the Pennsylvania Governor declares the area in which the residence premises is located to be a disaster area due to such weather conditions.

We do not cover trees, shrubs, plants, or lawns grown for business purposes.

This coverage does not increase the limit of liability applying to the damaged property.

8. Temperature Change

We will pay for loss to covered personal property in a building structure at the residence premises resulting from a change in temperature. The change in temperature must result from a covered loss to the building structure.

This coverage does not increase the limit of liability applying to the damaged property.

9. Power Interruption

We will pay up to \$500 for loss to the contents of freezers and refrigerated units on the residence premises caused by the interruption of power which occurs off the residence premises. If a power interruption is known to an insured person, all reasonable means must be used to protect the contents of freezers and refrigerated units.

This coverage does not increase the limit of liability applying to the damaged property.

10. Arson Reward

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under Section I of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

11. Collapse

We will cover at the residence premises:



- a) the entire collapse of a covered building structure;
- b) the entire collapse of part of a covered building structure; and
- c) direct physical loss to covered property caused by a) or b) above.

For coverage to apply, the collapse of a building structure specified in a) or b) above must be a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss we cover under Section I, Coverage C – Personal Property Protection;
- b) weight of persons, animals, equipment or contents;
- c) weight of rain, snow or ice which collects on a roof;
- d) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

Collapse as referenced herein means the covered building structure or part of the covered building structure has actually fallen down or fallen into pieces unexpectedly and instantaneously. It does not include settling, cracking, shrinking, bulging, expansion, sagging, or bowing. Furthermore, collapse does not include or mean substantial structural impairment or imminent collapse.

Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, fuel oil tank, septic tank, cistern or similar system, foundation, retaining wall, bulkhead, pier, wharf or dock is not included, unless the loss is a direct result of the collapse of a building structure or part of a building structure that is a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss we cover under Section I, Coverage C – Personal Property Protection;

- b) weight of persons, animals, equipment or contents; weight of rain, snow or ice which collects on a roof;
- c) defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

This coverage does not increase the limit of liability applying to the covered property.

12. Land

If a sudden and accidental direct physical loss results in both a covered loss to the dwelling, other than the breakage of glass or safety glazing material, and a loss of land stability, we will pay up to \$10,000 as an additional amount of insurance for repair costs associated with the land. This includes the costs required to replace, rebuild, stabilize or otherwise restore the land necessary to support that part of the dwelling sustaining the covered loss.

The Section I – Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C reference to earth movement does not apply to the loss of land stability provided under this Additional Protection.

13. Lock Replacement

When a key to a lock is stolen as part of a covered theft loss, we will pay under Coverage A – Dwelling Protection the reasonable expenses you incur to replace or re-key exterior door locks at the residence premises with locks or cylinders of like kind and quality. The limit of liability under this coverage following any one theft loss is \$500.

This coverage does not increase the limit of liability that applies to the covered property.

Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C

- A. We do not cover loss to the property described in Coverage A – Dwelling Protection or

Coverage B — Other Structures Protection
consisting of or caused by the following:

1. Freezing of:
 - a) plumbing, fire protective sprinkler systems, heating or air conditioning systems;
 - b) household appliances; or
 - c) swimming pools, hot tubs and spas within the dwelling, their filtration and circulation systems; or discharge, leakage or overflow from within a), b) or c) above, caused by freezing, while the building structure is vacant, unoccupied or being constructed unless you have used reasonable care to:
 - a) maintain heat in the building structure; or
 - b) shut off the water supply and drain the system and appliances.
2. Freezing, thawing, pressure or weight of water, snow or ice, whether driven by wind or not. This exclusion applies to fences, pavements, patios, foundations, retaining walls, bulkheads, piers, wharves and docks. This exclusion also applies to swimming pools, hot tubs, spas, their filtration and circulation systems if the swimming pool, hot tub or spa is not located within a heated portion of the dwelling.
3. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water, steam or fuel:
 - a) from a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
 - b) from, within or around any plumbing fixtures, including, but not limited to shower stalls, shower baths, tub installations, sinks or other fixtures designed for the use of water or steam.
4. Collapse, except as specifically provided in Section I — Additional Protection under item 11, "Collapse."
5. Theft from your residence premises while your dwelling is under construction, or of materials and supplies for use in construction, until your dwelling is completed and occupied.
6. Vandalism or Malicious Mischief if your dwelling is vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A dwelling under construction is not considered vacant or unoccupied.
7.
 - a) wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
 - b) mechanical breakdown;
 - c) growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;
 - d) rust or other corrosion;
 - e) smog, smoke from the manufacturing of any controlled substance, agricultural smudging and industrial operations;
 - f) settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
 - g) insects, rodents, birds or domestic animals. We do cover the breakage of glass or safety glazing materials caused by birds; or
 - h) seizure by government authority.

If any of a) through g) cause the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, household appliance or fire protective sprinkler system within your dwelling, we cover the direct physical damage caused by the water or steam. If loss to covered property is caused by water or steam not otherwise excluded, we will cover the cost of tearing



out and replacing any part of your dwelling necessary to repair the system or appliance. This does not include damage to the defective system or appliance from which the water escaped.

8. Soil conditions, including, but not limited to, corrosive action, chemicals, compounds, elements, suspensions, crystal formations or gels in the soil.
- B. We do not cover loss to the property described in Coverage A – Dwelling Protection or Coverage B – Other Structures Protection when:
- 1) there are two or more causes of loss to the covered property; and
 - 2) the predominant cause(s) of loss is (are) excluded under items A.1 through A.8 above.
- C. We do not cover loss to the property described in Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection consisting of or caused by the following:
1. Flood, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
 2. Water or any other substance that:
 - a) backs up through sewers or drains; or
 - b) overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
 3. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the residence premises.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 3 listed above.

4. Earth movement of any type, including, but not limited to, earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

5. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any building structure, other structure or land at the residence premises.

We do cover sudden and accidental direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

6. The failure by any insured person to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss we cover.
7. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an insured person.
8. Intentional or criminal acts of or at the direction of any insured person, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.

This exclusion applies regardless of whether or not the insured person is actually charged with, or convicted of, a crime.

9. Weather Conditions that contribute in any way with a cause of loss excluded under **Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C** to produce a loss.
 10. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
 - a) planning, zoning, development, surveying, siting;
 - b) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c) materials used in repair, construction, renovation or remodeling; or
 - d) maintenance of property whether on or off the **residence premises** by any person or organization.
 11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
- D. We do not cover loss to the property described in **Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection** when:
- 1) there are two or more causes of loss to the covered property; and
 - 2) the predominant cause(s) of loss is (are) excluded under items C.1 through C.11 above.
- E. We do not cover loss to the property described in **Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection** consisting of or caused by mold, fungus, wet rot, dry rot or bacteria. This includes any loss which, in whole or in part, arises out of, is

aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.

This exclusion applies regardless of whether mold, fungus, wet rot, dry rot or bacteria arises from any other cause of loss, including but not limited to a loss involving water, water damage or discharge, which may otherwise be covered by this policy, except as specifically provided in **Section I, Conditions – Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**.

- F. We do not cover loss to the property described in **Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection** consisting of or caused by the following. These exclusions apply regardless of whether any other cause contributed concurrently or in any sequence to produce the loss:
1. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.
 2. War or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

Section I Conditions

1. **Deductible**
We will pay when a covered loss exceeds the applicable deductible shown on the Policy Declarations. We will then pay only the excess amount, unless we have indicated otherwise in this policy.
2. **Insurable Interest and Our Liability**
In the event of a covered loss, we will not pay for more than an insured person's insurable

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interest in the property covered, nor more than the amount of coverage afforded by this policy.

3. What You Must Do After A Loss

In the event of a loss to any property that may be covered by this policy, you must:

- a) immediately give us or our agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, give written notice to the company or bank that issued the card.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give us a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give us all accounting records, bills, invoices and other vouchers, or certified copies, which we may reasonably request to examine and permit us to make copies.
- e) produce receipts for any increased costs to maintain your standard of living while you reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as we reasonably require:
 - 1) show us the damaged property.
 - 2) at our request, submit to examinations under oath, separately and apart from any other person defined as you or insured person and sign a transcript of the same.
 - 3) produce representatives, employees, members of the insured person's household or others to the extent it is within the insured person's power to do so; and
- g) within 60 days after the loss, give us a signed, sworn proof of the loss. This statement must include the following information:
 - 1) the date, time, location and cause of loss;

- 2) the interest insured persons and others have in the property, including any encumbrances;
- 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
- 4) any other insurance that may cover the loss;
- 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
- 6) at our request, the specifications of any damaged building structure or other structure; and
- 7) evidence supporting any claim under the Credit Card, Debit or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money protection. State the cause and amount of loss.

We have no duty to provide coverage under this section if you, an insured person, or a representative of either fail to comply with items a) through g) above, and this failure to comply is prejudicial to us.

4. Our Settlement Options

In the event of a covered loss, we have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5 "How We Pay For A Loss".

Within 15 working days after we receive your signed, sworn proof of loss we will notify you of the option or options we intend to exercise.

5. How We Pay For A Loss

Under Coverage A – Dwelling Protection, Coverage B – Other Structures Protection and Coverage C – Personal Property Protection, payment for covered loss will be by one or more of the following methods:

- a) Special Payment. At our option, we may make payment for a covered loss before

you repair, rebuild or replace the damaged, destroyed or stolen property if:

- 1) the whole amount of loss for property covered under **Coverage A – Dwelling Protection and Coverage B – Other Structures Protection**, without deduction for depreciation, is less than \$2,500 and if the property is not excluded from the Building Structure Reimbursement provision, or;
 - 2) the whole amount of loss for property covered under **Coverage C – Personal Property Protection**, without deduction for depreciation, is less than \$2,500 and if your Policy Declarations shows that the Personal Property Reimbursement provision applies, and the property is not excluded from the Personal Property Reimbursement provision.
- b) **Actual Cash Value.** If you do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the Limit Of Liability shown on the Policy Declarations for the coverage that applies to the damaged, destroyed or stolen property, regardless of the number of items involved in the loss. You may make claim for additional payment as described in paragraph c) and paragraph d) below if applicable, if you repair or replace the damaged, destroyed or stolen covered property within 180 days of the actual cash value payment.
- c) **Building Structure Reimbursement.** Under **Coverage A – Dwelling Protection and Coverage B – Other Structures Protection**, we will make additional payment to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered property within 180 days of the actual cash value payment. This additional payment includes the reasonable and necessary expense for

treatment or removal and disposal of contaminants, toxins or pollutants as required to complete repair or replacement of that part of a building structure damaged by a covered loss. This additional payment shall not include any amounts which may be paid or payable under **Section I, Conditions – Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**, and shall not be payable for any losses excluded in **Section I – Your Property, under Losses We Do Not Cover Under Coverage A, Coverage B and Coverage C, section E.**

Building Structure Reimbursement will not exceed the smallest of the following amounts:

- 1) the replacement cost of the part(s) of the building structure(s) for equivalent construction for similar use on the same residence premises;
- 2) the amount actually and necessarily spent to repair or replace the damaged building structure(s) with equivalent construction for similar use on the same residence premises; or
- 3) the Limit Of Liability applicable to the building structure(s) as shown on the Policy Declarations for **Coverage A – Dwelling Protection or Coverage B – Other Structures Protection**, regardless of the number of building structures and structures other than building structures involved in the loss.

If you replace the damaged building structure(s) at an address other than shown on the Policy Declarations through construction of a new structure or purchase of an existing structure, such replacement will not increase the amount payable under Building Structure Reimbursement described above. The amount payable under Building Structure



Reimbursement described above does not include the value of any land associated with the replacement structure(s).

Building Structure Reimbursement payment will be limited to the difference between any actual cash value payment made for the covered loss to building structures and the smallest of 1), 2) or 3) above.

Building Structure Reimbursement will not apply to:

- 1) property covered under **Coverage C – Personal Property Protection**;
- 2) property covered under **Coverage B – Other Structures Protection** that is not a building structure;
- 3) wall-to-wall carpeting, fences, awnings and outdoor antennas whether or not fastened to a building structure; or
- 4) land.

Payment under a), b), or c) above will not include any increased cost due to the enforcement of building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, relocation or demolition of building structures or other structures.

- d) **Personal Property Reimbursement.** Under **Coverage C – Personal Property Protection**, we will make additional payment to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 180 days of the actual cash value payment.

Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or

- 3) the Limit Of Liability shown on the Policy Declarations for **Coverage C – Personal Property Protection**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for the covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

- 1) property insured under **Coverage A – Dwelling Protection** and **Coverage B – Other Structures Protection**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs and collector's items; or
- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss; or
- 5) motorized land vehicles used solely for the service of the insured premises and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled.

6. Our Settlement Of Loss

We will settle any covered loss with you unless some other person or entity is named in the policy. We will settle within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between you and us, an appraisal award or a court judgment.

7. Appraisal

If you and we fail to agree on the amount of loss, either party may make written demand

for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the residence premises is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to you and to us the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

8. Abandoned Property

We are not obligated to accept any property or responsibility for any property abandoned by an insured person.

9. Permission Granted To You

- a) The residence premises may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. A building structure under construction is not considered vacant.
- b) You may make alterations, additions or repairs, and you may complete structures under construction.

10. Our Rights To Recover Payment

When we pay for any loss, an insured person's right to recover from anyone else becomes ours up to the amount we have paid. An insured person must protect these rights and help us enforce them. You may waive your rights to recover against another person

for loss involving the property covered by this policy. This waiver must be in writing prior to the date of the loss.

11. Our Rights to Obtain Salvage

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by us or payment of the agreed or appraised value.

We will notify you of our intent to exercise this option within 30 days after we receive your signed, sworn proof of loss. If no signed, sworn proof of loss is requested by us, we will notify you of our intent to exercise this option within 60 days after the date you report the loss to us.

When we settle any loss caused by theft or disappearance, we have the right to obtain all or part of any property which may be recovered. An insured person must protect this right and inform us of any property recovered. We will inform you of our intent to exercise this right within 10 days of your notice of recovery to us.

12. Action Against Us

No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under a coverage to which Section I Conditions applies, unless:

- a) there has been full compliance with all policy terms; and
- b) the action is commenced within one year after the inception of loss or damage.

13. Loss To A Pair Or Set

If there is a covered loss to a pair or set, we may:

- a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
- b) pay the difference between the actual cash value of the pair or set before and after the loss.



14. Glass Replacement

Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.

15. No Benefit To Bailee

This insurance will not benefit any person or organization who may be caring for or handling **your** property for a fee.

16. Other Insurance

If both this insurance and other insurance apply to a loss, we will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

17. Property Insurance Adjustment

When the Policy Declarations indicates that the Property Insurance Adjustment Condition applies, you agree that, at each policy anniversary, we may increase the Limit of Liability shown on the Policy Declarations for **Coverage A – Dwelling Protection** to reflect one of the following:

- a) the rate of change in the Index identified in the "Important Payment and Coverage Information" section of the Policy Declarations. The limit of liability for **Coverage A – Dwelling Protection** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1000; or
- b) the minimum amount of insurance coverage we are willing to issue for the succeeding premium period under **Coverage A – Dwelling Protection** for **your dwelling** and other property we cover under **Coverage A – Dwelling Protection**.

Any adjustment in the limit of liability for **Coverage A – Dwelling Protection** will result in

an adjustment in the limit of liability for **Coverage B – Other Structures Protection** and **Coverage C – Personal Property Protection** in accordance with our manual of Rules and Rates.

Any adjustment in premium resulting from the application of this condition will be made based on premium rates in use by us at the time a change in limits is made.

We will not reduce the limit of liability shown on the Policy Declarations without **your** consent. You agree that it is **your** responsibility to ensure that each of the limits of liability shown on the Policy Declarations are appropriate for **your** insurance needs. If you want to increase or decrease any of the limits of liability shown on the Policy Declarations, you must contact us to request such a change.

18. Mortgagee

A covered loss will be payable to the Mortgagee(s) named on the Policy Declarations, to the extent of their interest and in the order of precedence. All provisions of **Section I** of this policy apply to these mortgagees.

We will:

- a) protect the mortgagee's interest in a covered building structure in the event of an increase in hazard, intentional or criminal acts of, or directed by, an **insured person**, failure by any **insured person** to take all reasonable steps to save and preserve property after a loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b) give the mortgagee at least 10 days notice if we cancel this policy.

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an **insured person** fails to do so;
- b) pay upon demand any premium due if an **insured person** fails to do so;

- c) notify us in writing of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d) give us the mortgagee's right of recovery against any party liable for loss; and
- e) after a loss, and at our option, permit us to satisfy the mortgage requirements and receive full transfer of the mortgage.

This mortgagee interest provision shall apply to any trustee or loss payee or other secured party.

19. **Mold, Fungus, Wet Rot and Dry Rot Remediation as a Direct Result of a Covered Water Loss**
In the event of a covered water loss under Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection, we will pay up to \$5,000 for mold, fungus, wet rot or dry rot remediation.

This Condition does not increase the limits of liability under Coverage A – Dwelling Protection, Coverage B – Other Structures Protection or Coverage C – Personal Property Protection.

Section II – Family Liability and Guest Medical Protection

Coverage X Family Liability Protection

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, we will pay damages which an insured person becomes legally obligated to pay because of bodily injury or property damage arising from an occurrence to which this policy applies, and is covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an insured person. If an insured person is sued for these damages, we will provide a defense with counsel of our choice, even if

the allegations are groundless, false or fraudulent. We are not obligated to defend any suit or pay any claim or judgment after we have exhausted our limit of liability.

Coverage Y Guest Medical Protection

Losses We Cover Under Coverage Y:

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. These expenses, except for funeral services, must be incurred and the services performed within three years from the date of an occurrence causing bodily injury to which this policy applies, and is covered by this part of the policy.

Each person who sustains bodily injury is entitled to this protection when that person is:

1. on the insured premises with the permission of an insured person; or
2. off the insured premises, if the bodily injury:
 - a) arises out of a condition on the insured premises or immediately adjoining ways;
 - b) is caused by the activities of an insured person or a residence employee;
 - c) is caused by an animal owned by or in the care of an insured person; or
 - d) is sustained by a residence employee.

Additional Protection

We will pay, in addition to the limits of liability:

1. **Claim Expense**
We will pay:
 - a) all costs we incur in the settlement of any claim or the defense of any suit against an insured person;
 - b) interest accruing on damages awarded until such time as we have paid, formally offered, or deposited in court the amount for which we are liable under this policy; interest will be paid only on damages which do not exceed our limits of liability;
 - c) premiums on bonds required in any suit we defend; we will not pay bond



premiums in an amount that is more than our limit of liability; we have no obligation to apply for or furnish bonds;

- d) up to \$150 per day for loss of wages and salary, when we ask you to attend trials and hearings;
 - e) any other reasonable expenses incurred by an insured person at our request.
2. **Emergency First Aid**
We will pay reasonable expenses incurred by an insured person for first aid to other persons at the time of an accident involving bodily injury covered under this policy.
3. **Damage To Property Of Others**
At your request, we will pay up to \$500 each time an insured person causes property damage to someone else's property. At our option, we will pay the cost to either repair or replace the property damaged by an insured person, without deduction for depreciation.

We will not pay for property damage:

- a) to property covered under Section I of this policy;
- b) to property intentionally damaged by an insured person who has attained the age of 13;
- c) to property owned by or rented to an insured person, any tenant of an insured person, or any resident in your household; or
- d) arising out of:
 - 1) past or present business activities;
 - 2) any act or omission in connection with a premises, other than an insured premises, owned, rented or controlled by an insured person; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft, hovercraft or watercraft.

Losses We Do Not Cover Under Coverage X and Coverage Y

A. Losses We Do Not Cover Under Coverage X:

- 1. We do not cover bodily injury to an insured person or property damage to property owned by an insured person whenever any benefit of this coverage would accrue directly or indirectly to an insured person.
- 2. We do not cover any liability an insured person assumes arising out of any contract or agreement.
- 3. We do not cover property damage to property rented to, occupied or used by, or in the care of, an insured person. This exclusion does not apply if the property damage is caused by fire, explosion or smoke.
- 4. We do not cover any liability imposed upon any insured person by any governmental authority for bodily injury or property damage which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.
- 5. We do not cover any bodily injury or property damage arising out of any liability statutorily imposed upon any insured person in any manner consisting of or caused by the discharge, dispersal, release or escape of oil from storage tank(s) located at the address stated on the Policy Declarations.

This exclusion does not apply to bodily injury or property damage losses otherwise covered in this policy.
- 6. We do not cover any property damage consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

7. We do not cover any **bodily injury** or **property damage** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

B. Losses We Do Not Cover Under Coverage Y:

1. We do not cover **bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
2. We do not cover **bodily injury** to any person on the **insured premises** because of a **business activity** or professional service conducted there.

C. Losses We Do Not Cover Under Coverage X and Coverage Y:

Coverage under **Coverage X – Family Liability Protection** will be excluded for **bodily injury** and **property damage** and coverage under **Coverage Y – Guest Medical Protection** will be excluded for **bodily injury** as follows:

1. We do not cover any **bodily injury** or **property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her conduct;
 - b) such **bodily injury** or **property damage** is of a different kind or degree than intended or reasonably expected; or
 - c) such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

2. We do not cover **bodily injury** to any person eligible to receive benefits required to be provided or voluntarily provided by an **insured person** under any worker's compensation, non-occupational disability or occupational disease law.

3. We do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

4. We do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:

- a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
- c) a motorized wheel chair;
- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements under 40 horsepower;



h) **bodily injury to a residence employee.**

5. **We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:

- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
- b) is a sailing vessel 26 feet or more in length;
- c) is powered by one or more outboard motors with more than 25 total horsepower;
- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury to a residence employee.**

6. **We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of hovercrafts. This exclusion does not apply to **bodily injury to a residence employee.**

7. **We do not cover bodily injury or property damage** arising out of:

- a) the negligent supervision by any **insured person** of any person; or
- b) any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, hovercraft, motorized land vehicle or trailer which is not covered under Section II of this policy.

8. **We do not cover bodily injury or property damage** arising out of the rendering of, or failure to render, professional services by an **insured person.**

9. **We do not cover bodily injury or property damage** arising out of the past or present business activities of an **insured person.**

We do cover the occasional or part-time business activities of an insured person who is a student under 21 years of age who is self-employed and has no employees.

10. **We do not cover bodily injury or property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person.** This exclusion does not apply to **bodily injury to a residence employee.**

11. **We do not cover bodily injury or property damage** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.

12. **We do not cover bodily injury or property damage** caused by war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

13. **We do not cover any bodily injury or property damage** arising out of, consisting of or caused by the discharge, dispersal, release or escape of oil from storage tank(s) located at the address stated on the Policy Declarations.

We do cover bodily injury and property damage which results from such discharge if the discharge is sudden and accidental.

Section II Conditions

1. **What You Must Do After An Accidental Loss**

In the event of **bodily injury or property damage**, you must do the following:

- a) Promptly notify us or our agent stating:

- 1) **your name and policy number;**
- 2) **the date, the place and the circumstances of the loss;**
- 3) **the name and address of anyone who might have a claim against an insured person;**
- 4) **the names and addresses of any witnesses.**
- b) **Promptly send us any legal papers relating to the accident.**
- c) **At our request, an insured person will:**
 - 1) **cooperate with us and assist us in any matter concerning a claim or suit;**
 - 2) **help us enforce any right of recovery against any person or organization who may be liable to an insured person;**
 - 3) **attend any hearing or trial.**
- d) **Under the Damage To Property Of Others protection, give us a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an insured person must be prepared to show us any damaged property under that person's control.**

Any insured person will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

2. What An Injured Person Must Do — Coverage Y — Guest Medical Protection

If someone is injured, that person, or someone acting for that person, must do the following:

- a) **Promptly give us written proof of the loss. If we request, this must be done under oath.**
- b) **Give us written authorization to obtain copies of all medical records and reports.**
- c) **Permit doctors we select to examine the injured person as often as we may reasonably require.**

3. Our Payment Of Loss — Coverage Y — Guest Medical Protection

We may pay the injured person or the provider of the medical services. Payment under this

coverage is not an admission of liability by us or an insured person.

4. Our Limits Of Liability

Regardless of the number of insured persons, injured persons, claims, claimants or policies involved, our total liability under Coverage X — Family Liability Protection for damages resulting from one occurrence will not exceed the Limit Of Liability shown on the Policy Declarations. All bodily injury and property damage resulting from continuous or repeated exposure to the same general conditions is considered the result of one occurrence. Our total liability under Coverage Y — Guest Medical Protection for all medical expenses payable for bodily injury, to any one person, shall not exceed the "each person" Limit Of Liability shown on the Policy Declarations.

5. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an insured person.

6. Our Rights to Recover Payment — Coverage X — Family Liability Protection

When we pay any loss, an insured person's right to recover from anyone else becomes ours up to the amount we have paid. An insured person must protect these rights and help us enforce them.

7. Action Against Us

- a) **No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, unless there has been full compliance with all policy terms.**
- b) **No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under Coverage X — Family Liability Protection, unless the obligation of an insured person to pay has been finally determined either by judgment against the insured person after actual trial, or by written agreement of the insured person, injured person and**



us, and the action against us is commenced within one year of such judgment or agreement.

- c) No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Coverage Y – Guest Medical Protection**, unless such action is commenced within one year after the date the expenses for which coverage is sought were actually incurred.
- d) No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Section II – Additional Protection**, unless such action is commenced within one year after the date the claim expenses or emergency first aid expenses for which coverage is sought were actually incurred, or within one year after the date of loss to the property if coverage is being sought under the **Damage to Property of Others** provision.
- e) No one shall have any right to make us a party to an action to determine the liability of an insured person.

8. Other Insurance – Coverage X – Family Liability Protection

This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.

Section III – Optional Protection

Optional Coverages You May Buy

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

**1. Coverage BC
Building Codes**

We will pay up to 10% of the amount of insurance on the Policy Declarations under **Coverage A – Dwelling Protection** to comply

with local building codes after a covered loss to the dwelling or when repair or replacement results in increased cost due to the enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair or demolition of the dwelling.

2. Coverage BP

Increased Coverage On Business Property
The limitation on business property located on the residence premises, under **Coverage C – Personal Property Protection**, is increased to the amount shown on the Policy Declarations. This increased coverage includes property held as samples or for sale or delivery after sale, while the property is on the residence premises.

3. Coverage DP

Increased Coverage On Electronic Data Processing Equipment
The limitation on electronic data processing equipment under **Coverage C – Personal Property Protection**, and the recording or storage media used with that equipment, is increased to the amount shown on the Policy Declarations.

4. Coverage F

Fire Department Charges
The \$500 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

5. Coverage G

Loss Assessments
If your residence premises includes a building structure which is constructed in common with one or more similar buildings, and you are a member of, and subject to the rules of, an association governing the areas held in common by all building owners as members of the association, the insured premises means the building structure occupied exclusively by your household as a private residence, including the grounds, related structures and private approaches to them.

We will pay your share of any special assessments charged against all building owners by the association up to the Limit Of Liability shown on the Policy Declarations, when the assessment is made as a result of:

- a) sudden and accidental direct physical loss to the property held in common by all building owners caused by a loss we cover under Section I of this policy; or
- b) **bodily injury or property damage** covered under Section II of this policy.

Any reduction or elimination of payments for losses because of any deductible applying to the insurance coverage of the association of building owners collectively is not covered under this protection.

We will pay only when the assessment levied against the insured person, as a result of any one loss, for **bodily injury or property damage** exceeds \$250 and then only for the amount of such excess. This coverage is not subject to any deductible applying to Section I of this policy.

In the event of an assessment, this coverage is subject to all the exclusions applicable to Sections I and II of this policy and the Section I and II Conditions, except as otherwise noted.

This coverage is excess over any insurance collectible under any policy or policies covering the association of building owners.

6. Coverage J

Extended Coverage On Jewelry, Watches and Furs

Coverage C – Personal Property Protection is extended to pay for sudden and accidental direct physical loss to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of

insurance applying to **Coverage C – Personal Property Protection**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any insured person, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin;
- c) nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke. We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.
- d) war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.
- e) failure by any insured person to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a cause of loss we cover.

Any deductible shown on the Policy Declarations applicable to **Coverage C – Personal Property Protection**, also applies to a loss under this coverage.

7. Coverage K

Incidental Office, Private School Or Studio

- a) The limits applying to property used or intended for use in a business under **Coverage C – Personal Property Protection** do not apply to equipment, supplies and furnishings used in a described office, private school or studio at your residence premises. This does not include electronic data processing equipment or the recording or storage media used with that equipment.



The Coverage K limits are shown on the Policy Declarations. The first limit applies to property on the residence premises. The second limit applies to property while away from the residence premises. These limits are not in addition to Coverage C — Personal Property Protection, Limitations On Certain Personal Property on property used or intended for use in a business. The increased coverage does not include property held for sample, sale or delivery after sale.

- b) **Coverage X — Family Liability Protection and Coverage Y — Guest Medical Protection** are extended to cover a described office, private school or studio occupied by an insured person. The occupancy of the described property shall not be considered a business.

We do not cover bodily injury to:

- a) any employee other than a residence employee; or
b) any person arising out of corporal punishment administered by or at the direction of an insured person.

8. **Coverage M**

Increased Coverage On Money

The limitation on money, bullion, bank notes, coins and other numismatic property, scrip, stored value cards and smart cards under Coverage C — Personal Property Protection is increased to the amount shown on the Policy Declarations.

9. **Coverage P**

Business Pursuits

Coverage X — Family Liability Protection and Coverage Y — Guest Medical Protection are extended to cover specified business pursuits of an insured person.

We do not cover:

- a) **bodily injury or property damage** arising out of the business pursuits of an insured person when the business is owned or financially controlled by the insured person. This also means a partnership or joint venture of which an insured person is a partner or member;
b) **bodily injury or property damage** arising out of the rendering of or failure to render

a professional service of any nature, other than teaching;

- c) **bodily injury** to a fellow employee of an insured person arising out of and in the course of employment;
d) **bodily injury or property damage** when an insured person is a member of a teaching staff or faculty of any school or college and the bodily injury or property damage arises out of the maintenance or use of saddle animals, vehicles used with saddle animals, motorized land vehicles, hovercrafts, aircraft or watercraft when owned, hired or operated by an insured person or used for the purpose of instruction; or
e) **bodily injury** to any person arising out of corporal punishment administered by or at the direction of an insured person when an insured person is a member of the teaching staff or faculty of any school of instruction.

10. **Coverage S**

Increased Coverage On Securities

The \$1,000 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property, covered under Coverage C — Personal Property Protection, is increased to the amount shown on the Policy Declarations.

11. **Coverage SD**

Satellite Dish Antennas

Coverage C — Personal Property Protection is extended to pay for sudden and accidental direct physical loss to satellite dish antennas and their systems on your residence premises, subject to the provisions of Coverage C — Personal Property Protection.

The amount of coverage is shown on the Policy Declarations.

12. **Coverage ST**

Increased Coverage On Theft Of Silverware

The limitation on theft of goldware, silverware, pewterware and platinumware under Coverage C — Personal Property Protection is increased to the amount shown on the Policy Declarations.

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

This Endorsement Changes Your Policy – Keep it With Your Policy

Building Structure Reimbursement Extended Limits Endorsement – APC198

For an additional premium and when the Policy Declarations indicates that the "Building Structure Reimbursement Extended Limits Endorsement" applies, the following amendment is made to condition 5 (titled "How We Pay For A Loss") in Section I Conditions:

In provision c) (titled "Building Structure Reimbursement."), item 3) of the second paragraph is replaced by the following:

- 3) 120% of the limit of liability applicable to the building structure(s) as shown on the Policy Declarations for Coverage A - Dwelling Protection or Coverage B - Other Structures Protection, regardless of the number of building structures and structures other than building structures involved in the loss.

This endorsement applies only if, at the time of a covered loss, you have met the following conditions:

- 1) You insure your dwelling, attached structures and detached building structures to 100% of replacement cost as determined by our estimate completed and based on the accuracy of information you furnished;
- 2) You have accepted the Property Insurance Adjustment Condition, agree to accept each annual adjustment in the Coverage A - Dwelling Protection limit of liability, and pay any additional premium charged; and
- 3) You notify us within 60 days of the start of any modifications that increase the aggregate value of your dwelling, attached structures and detached building structures at the residence premises by \$5,000 or more, and pay any resulting additional premium due for the increase in value.

If, at the time of a covered loss, you fail to meet any of the conditions in 1), 2) or 3) above, then in Section I – Conditions, item 5., How We Pay For A Loss, under c), Building Structure Reimbursement, item 3) remains:

- 3) the Limit of Liability applicable to the building structure(s) as shown on the Policy Declarations for Coverage A - Dwelling Protection or Coverage B - Other Structures Protection, regardless of the number of building structures and structures other than building structures involved in the loss.

All other policy terms and conditions apply.

PROP *610003709122457001682524*



Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Tropical Cyclone Deductible Endorsement – AP4544

It is agreed that your policy is amended as follows:

I Under Definitions Used In This Policy, the following definitions are added:

"Hurricane" — means a weather system declared by the **National Weather Service** to be a hurricane.

"National Weather Service" — means the National Weather Service or, if the National Weather Service ceases to exist, ceases to perform the function of declaring weather systems to be hurricanes or tropical storms, or ceases to perform the function of issuing hurricane watches or hurricane warnings, such other entity as determined by us.

"Tropical Cyclone" — means a hurricane, a tropical storm, or any wind, hail or rain accompanying a hurricane or a tropical storm.

"Tropical Storm" — means a weather system declared by the **National Weather Service** to be a tropical storm, provided such weather system:

- a. was a hurricane or, at any time in the 24 hours immediately following your covered loss, becomes a hurricane; and
- b. was the subject of a hurricane watch or hurricane warning issued by the **National Weather Service** for:
 - i. any part of the state in which your residence premises is located; or
 - ii. any state(s) which borders the state in which your residence premises is located.

II Under Section I Conditions, Condition 1. Deductible, the following is added:

Tropical Cyclone Deductible

The tropical cyclone deductible applies in the event of covered loss caused by tropical cyclone or by any object(s) driven by tropical cyclone.

The tropical cyclone deductible amount will appear on your Policy Declarations. We will pay only when a covered loss to which this deductible applies exceeds the tropical cyclone deductible amount. We will then pay only the excess amount.

If another deductible applicable to the loss exceeds the tropical cyclone deductible, the greater deductible will be applied to the loss.

All other provisions of the policy apply.

Allstate Property and Casualty Insurance Company

Policy Number: 9 28 597714 12/30 Your Agent: Paul R Hirschler (570) 383-3803
For Premium Period Beginning: Dec. 30, 2009

Policy Endorsement

The following endorsement changes your policy. Please read this document carefully and keep it with your policy.

Pennsylvania Homeowners Policy Amendatory Endorsement – AP4556

1. In the General section, the following provision is added:

Loss Reduction and Other Items

From time to time and in our sole discretion, we may provide you, or allow others to provide you, with:

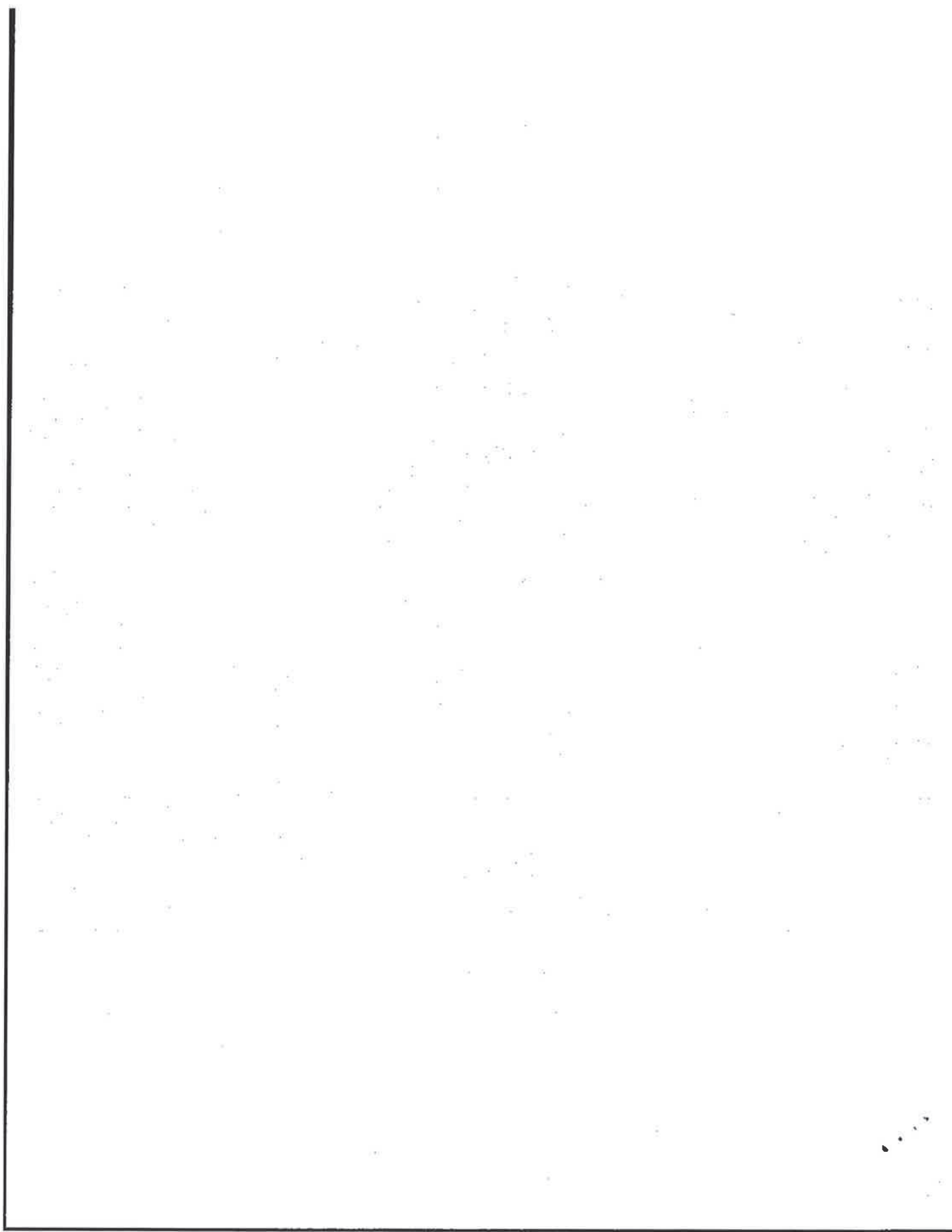
1. items, memberships, special offers, merchandise, services, classes, seminars or other things of value designed to help you or other persons insured under this policy manage the risks you or they face, including, but not limited to, loss reduction or safety-related items; or
2. items, memberships, special offers, merchandise, services, classes, seminars or things of any other type that we think may be of value to you or someone else insured under this policy.

These items, memberships, special offers, merchandise, services, classes, seminars or other things of value may be provided in any form, including, but not limited to, redemption codes, coupons, vouchers and gift cards.

All other policy terms and conditions apply.

PRDP *610003700122467001682525*





SCOTT E. SCHERMERHORN, ESQUIRE
Identification No. 60177
The Ritz Building
222 Wyoming Avenue
Scranton, PA 18503
(570) 348-1020

ATTORNEY FOR PLAINTIFFS,
MELISSA & HAROLD FLOWER

**MELISSA FLOWER and HAROLD
FLOWER**

Plaintiffs

v.

**ALLSTATE PROPERTY AND
CASUALTY INSURANCE COMPANY**

Defendant

: IN THE COURT OF COMMON PLEAS
: OF WYOMING COUNTY

:
: CIVIL ACTION - LAW

:
: **JURY TRIAL DEMANDED**

:
: NO.: 2018-Civil-275

CERTIFICATE OF SERVICE

I, Scott E. Schermerhorn, Esquire certify that a true and correct copy of Plaintiffs' Complaint was forwarded for service this 31st day of May, 2018, by U.S. First Class Mail, Postage Prepaid and addressed as follows:

C. Theresa Barone, Esquire
Law Offices of Kenneth S. O'Neill
7535 Windsor Drive, Suite 101-B
Allentown, PA 18195



Scott E. Schermerhorn, Esquire
Attorney for Plaintiffs